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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
10/811,643	03/29/2004	Michael T. Rossides		2378
7590	12/18/2008		EXAMINER	
MICHAEL T. ROSSIDES 11167 E. MIRASOL CIRCLE SCOTTSDALE, AZ 85255			RETTA, YEHDEGA	
		ART UNIT	PAPER NUMBER	
		3622		
		MAIL DATE	DELIVERY MODE	
		12/18/2008	PAPER	

**Please find below and/or attached an Office communication concerning this application or proceeding.**

The time period for reply, if any, is set in the attached communication.

<b>Office Action Summary</b>	<b>Application No.</b>	<b>Applicant(s)</b>	
	10/811,643	ROSSIDES, MICHAEL T.	
	<b>Examiner</b>	<b>Art Unit</b>	
	Yehdega Retta	3622	

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

#### Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

#### Status

- 1) Responsive to communication(s) filed on 29 March 2004.
- 2a) This action is **FINAL**.                            2b) This action is non-final.
- 3) Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

#### Disposition of Claims

- 4) Claim(s) 1 is/are pending in the application.
- 4a) Of the above claim(s) \_\_\_\_\_ is/are withdrawn from consideration.
- 5) Claim(s) \_\_\_\_\_ is/are allowed.
- 6) Claim(s) 1 is/are rejected.
- 7) Claim(s) \_\_\_\_\_ is/are objected to.
- 8) Claim(s) \_\_\_\_\_ are subject to restriction and/or election requirement.

#### Application Papers

- 9) The specification is objected to by the Examiner.
- 10) The drawing(s) filed on \_\_\_\_\_ is/are: a) accepted or b) objected to by the Examiner.
- Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
- Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

#### Priority under 35 U.S.C. § 119

- 12) Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) All    b) Some \* c) None of:
1. Certified copies of the priority documents have been received.
  2. Certified copies of the priority documents have been received in Application No. \_\_\_\_\_.
  3. Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

\* See the attached detailed Office action for a list of the certified copies not received.

#### Attachment(s)

- 1) Notice of References Cited (PTO-892)
- 2) Notice of Draftsperson's Patent Drawing Review (PTO-948)
- 3) Information Disclosure Statement(s) (PTO/SB/08)  
Paper No(s)/Mail Date \_\_\_\_\_.
- 4) Interview Summary (PTO-413)  
Paper No(s)/Mail Date. \_\_\_\_\_.
- 5) Notice of Informal Patent Application
- 6) Other: \_\_\_\_\_.

## **DETAILED ACTION**

### ***Claim Rejections - 35 USC § 101***

35 U.S.C. 101 reads as follows:

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

Claims 1 is rejected under 35 U.S.C. 101 because the claimed invention is directed to non-statutory subject matter. Based on Supreme Court precedent, a method/process claim must (1) be tied to another statutory class of invention (such as a particular apparatus) (see at least Diamond v. Diehr, 450 U.S. 175, 184 (1981); Parker v. Flook, 437 U.S. 584, 588 n.9 (1978); Gottschalk v. Benson, 409 U.S. 63, 70 (1972); Cochrane v. Deener, 94 U.S. 780, 787-88 (1876)) or (2) transform underlying subject matter (such as an article or materials) to a different state or thing (see at least Gottschalk v. Benson, 409 U.S. 63, 71 (1972)). A method/process claim that fails to meet one of the above requirements is not in compliance with the statutory requirements of 35 U.S.C. 101 for patent eligible subject matter. Here the claims fails to meet the above requirements because the steps are neither tied to another statutory class of invention (such as a particular apparatus) nor physically transform underlying subject matter (such as an article or materials) to a different state or thing.

### ***Claim Rejections - 35 USC § 112***

The following is a quotation of the second paragraph of 35 U.S.C. 112:

The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention.

Claim 1 is rejected under 35 U.S.C. 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention.

The claim recites “enabling” a recipient to accept the offer. The claim also recites after said recipient accepts said offer. The claim however does not clearly recite the recipient accepting the offer. Therefore, it is not clear what is considered “enabling”. The claim also recited splitting the EV payment process such that the EV of *the first bet* equals the EV payment and the EV of *the second* bet equals the payoff from the first bet. First of all the claim does not recite whether a bet is performed and whether the bet includes a first and second bet and whether the recipient is participating in a bet. The claim also recites “said payer taking the risk of losing the payoff in the first bet, and *said system taking* the risk of losing the payoff in the second bet”. It unclear what system is applicant refereeing to. The claim also recites “if said recipient wins said second bet, said recipient provisionally has won the second bet payoff (larger than the first bet payoff). However according to the claim the EV of the first bet equals the EV payment (amount of the EV payment specified by payer), the EV of the second bet equals the payoff from the first bet which is understood to mean portion of the first bet (which equal to the EP payment offer). Therefore, it is unclear if the payoff of the second bet is more than the EP payment offered (larger than the first payoff) by the payer or less than the payment offered (equals payoff from the first bet).

***Claim Rejections - 35 USC § 102***

The following is a quotation of the appropriate paragraphs of 35 U.S.C. 102 that form the basis for the rejections under this section made in this Office action:

A person shall be entitled to a patent unless –

(b) the invention was patented or described in a printed publication in this or a foreign country or in public use or on sale in this country, more than one year prior to the date of application for patent in the United States.

Claim 1 is rejected under 35 U.S.C. 102(b) as being anticipated by Vance (US 6,267,672 B1).

Regarding claim 1, Vance teaches enabling a recipient to accept the offer, after said recipient accepts said offer (see col. 6 lines 33-40), splitting the EV payment process into two-bet parlay process such that the EV of the first bet equals the EV payment set by said payer, and the EV of the second bet equals the payoff from the first bet; if said recipient wins said first bet, the system registering that the payer owes the payoff of this first bet to the system, and said system asking said recipient whether he meets the conditions of said payment offer (see col. 6 lines 40-54, col. 8 lines 21-57, those who advance to different level earn more valuable prizes), if the response is negative, the system refunding the payoff to the payer, if the response is positive, the system executes said second bet, if said recipient wins said second bet, said recipient provisionally has won the second bet payoff (larger than the first bet payoff), said system then enabling said recipient to request an inspection by a system-authorized inspector, if the inspection reveals that recipient has met the conditions of the offer, the system pays him the second bet payoff, else, if said recipient has not met the conditions, or if said recipient does not request an inspection, said system refunds the second bet payoff to said payer (see col. 6 lines 51-54).

Regarding the language "said payer taking the risk of losing the payoff in the first bet, and said system taking the risk of losing the payoff in the second bet", the data is merely intended use of the two-bet process and is nonfunctional descriptive material which does not

distinguish the claimed invention from the prior art in terms of patentability, see *In re Gulack*, 703 F.2D 1381, 1385, 217 USPQ 401, 404 (Fed. Cir. 1983); *In re Lowry*, 32 F.3d 1579, 32 USPQ2d 1031 (fed. Cir. 1994).

It has been held that Language that suggest or makes optional but does not require steps to be performed or does not limit a claim to a particular structure does not limit the scope of a claim or claim limitation (MPEP §2106 II C).

***Conclusion***

The prior art made of record and not relied upon is considered pertinent to applicant's disclosure.

*Varghese* (US 2004/0133468 A1) teaches providing amount of credit based on the number of questions answered correctly.

*Wallace* (US 2002/0046095 A1) teaches awarding prize awarded based for correct answers to questions about advertisement presented.

*De Rafael* (US 6529878 B2) teaches rewarding viewers of interactive commercial advertisements.

Any inquiry concerning this communication or earlier communications from the examiner should be directed to Yehdega Retta whose telephone number is (571) 272-6723. The examiner can normally be reached on 8-4:30.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Eric Stamber can be reached on (571) 272-6724. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free). If you would like assistance from a USPTO Customer Service Representative or access to the automated information system, call 800-786-9199 (IN USA OR CANADA) or 571-272-1000.

YR

/Yehdega Retta/  
Primary Examiner, Art Unit 3622